

August 21, 1985

TO: Memo to File

FROM: Thomas J. Suchoski, Geologist *TJS*

RE: New Harmony Mine, ~~PRO~~021/007, Iron County, Utah
DOE

On August 19, 1985, Mr. Thomas Suchoski and Dave Cline of the Division staff met with Mr. Steve Hicken to field check the New Harmony Mine proposed by Peden Engineering. The purpose of the visit was to follow-up on contacts made by Mr. Tom Tetting during 1984 and to familiarize the field personnel with the operation.

Mr. Hicken indicated that Peden Engineering would be the operator of the facility and that it was under lease from two accountants in the Las Vegas area. As such, Peden Engineering would be responsible for the operation of the mine and the eventual reclamation thereof. The only input to be received from the landowners was the eventual postmining land use of the operation to which Peden Engineering would have to reclaim the facility.

The present extent of disturbance to the facility is less than two acres and until after the completion of the initial testing phase of the milling process there are no plans to disturb an area greater than two acres in size. Mr. Hicken indicated that the process mill was to be completed by mid-September 1985 and that initial testing of the process to handle the material would be conducted sometime during the month of October. He envisioned a four to six month period to get the "bugs" out of the system and start the actual processing of materials from the site.

The concerns raised by Mr. Tetting and Mr. Smith last year regarding the applicability of the coal regulations to the site is still in question. Mr. Hicken indicated the material and information requested by Mr. Tetting, in his August, 1984 letter, had been collected, but as yet, had not been submitted to the Division. He indicated this would be submitted in the near future.

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Based on the preliminary information which was received, Mr. Hicken indicated that the coal was of very marginal quality and that economic development of the deposit was very unlikely.

In reviewing the coal regulations and their applicability to the situation, UMC 700.11-Applicability, sub-paragraph (a)(5), states that the "extraction of coal insidental to the extraction of other minerals, where coal does not exceed 16 2/3% of the mineral tonage removed for commercial sale or use" does not fall under the jurisdiction of these regulations.

Therefore, based on the above considerations and also the limited amount of area disturbed, it is the recommendation of field personnel that this facility does not fall under the coal regulations and that it does qualify as a DOE under present size constraints. These possibilities were discussed with Mr. Hicken, he indicated that if the mill processing is decided to be undertaken and the facility is enlarged, a mine plan would be filed with the Division as required under the noncoal act. He also indicated that he would keep in contact with the Division to allow them to know what the status of the mine was.

jvb

L. Braxton
W. Hedberg

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